

## RJR SPECIAL FIXTURE REQUEST/COST ANALYSIS

DOES BREAK-EVEN TO INCLUDE FIXTURE AND RDA COSTS

VERY USER FRIENDLY, QUICK & DIRTY, SANITY CHECK

PREDICTS INCREMENTAL RJR CARTONS NEEDED TO FUND PROGRAM

SEPARATE BREAK-EVEN MODEL AVAILABLE SOON FOR NON-FIXTURE SCENARIOS

CAN BE USED IN INTERIM FOR B/E BY INPUTTING \$.01 IN FIXTURE SECTION IF NO FIXTURE IS NEEDED

VERY EFFECTIVE IN COMPARING NET NEW CARTON LEVEL 1 VERSUS LEVEL 2

Will need to  
accompany any  
special fixture request.  
BAUGG  
RESEE  
Frax  
AS INFO  
Request.

**RJR Special Fixture Request / Cost Analysis**

RJR Internal Use Only

2/20/96

(Shaded areas are user input fields) >

Retail Name / Priority Ranking :

RJR Mgr. / Div. # / Phone # :

# Stores

AIM # Days

Prototype Shipping Address:

Note : # Stores, AIM # Days and Current Volume Data should be pulled from AIM function 185.

Special Fixture Description:

<u>Contract Costs :</u>	<u>Per Store</u>	<u>All Stores</u>	<u>Current Volume Data :</u>	
Current Contract \$/Mo.		\$0	Total Industry Volume	
Proposed Contract \$/Mo.		\$0	RJR Total FP Volume	
Enhancement \$/Mo.		\$0	RJR Total Brd. Sav. Volume	
RDA Variance \$/Mo.	\$0	\$0	RJR Total P/L Volume	
			<u>Store Volume / Week :</u>	
Additional RDA \$ per Year	\$0	\$0	Avg. Industry Weekly Volume	#VALUE!
Additional 3-Yr. RDA \$ Cost	\$0	\$0	Avg. RJR Weekly Volume	#VALUE!

<u>Proposed Fixture Costs :</u>	<u>Per Store</u>	<u>All Stores</u>	<u>Contract + Fixture Cost Breakdown</u>		
Carton Fixture		\$0			
Package Fixture		\$0			
Display Fixture 1		\$0			
Display Fixture 2		\$0			
Display Fixture 3		\$0			
Other		\$0			
Tot. Fixture Cost	\$0	\$0			
				<u>Per Store</u>	<u>All Stores</u>
			Year 1 (Proposed)	\$0	\$0
			Year 2 (Proposed)	\$0	\$0
			Year 3 (Proposed)	\$0	\$0
			Tot. 3-Yr. Incr. Cost	\$0	\$0

**RJR Special Fixture Request / Cost Analysis**
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Retail Name / Priority Ranking :

RJR Mgr. / Div. # / Phone # :

# Stores

AIM # Days

Prototype Shipping Address:

 Note : # Stores, AIM # Days and  
Current Volume Data should be  
pulled from AIM function 185.

Special Fixture Description:

<b>Contract Costs :</b>	<b>Per Store</b>	<b>All Stores</b>	<b>Current Volume Data :</b>	
Current Contract \$/Mo.		#VALUE!	Total Industry Volume	
Proposed Contract \$/Mo.		#VALUE!	RJR Total FP Volume	
Enhancement \$/Mo.	\$0	#VALUE!	RJR Total Brd. Sav. Volume	
RDA Variance \$/Mo.	#VALUE!	#VALUE!	RJR Total P/L Volume	
			<b>Store Volume / Week :</b>	
Additional RDA \$ per Year	#VALUE!	#VALUE!	Avg. Industry Weekly Volume	#VALUE!
Additional 3-Yr. RDA \$ Cost	#VALUE!	#VALUE!	Avg. RJR Weekly Volume	#VALUE!

<b>Proposed Fixture Costs :</b>	<b>Per Store</b>	<b>All Stores</b>	<b>Contract + Fixture Cost Breakdown</b>		
Carton Fixture					
Package Fixture					
Display Fixture 1					
Display Fixture 2					
Display Fixture 3					
Other					
<b>Tot. Fixture Cost</b>					
			<b>Year 1 (Proposed)</b>	<b>Per Store</b>	<b>All Stores</b>
			Year 2 (Proposed)	#VALUE!	#VALUE!
			Year 3 (Proposed)	#VALUE!	#VALUE!
			<b>Tot. 3-Yr. Incr. Cost</b>	#VALUE!	#VALUE!

<b>Assumptions :</b>	
Annual RJR Ctn. Vol. (proj.)	#VALUE!
Full Price Profit \$ (mam)	\$5.75
Branded Sav. Profit \$ (mam)	\$3.50
Priv. Label Profit \$ (mam)	\$2.30
Avg. Wtd. RJR Margin \$/Ctn.	#VALUE!
Avg. Current RDA \$ /Ctn.	#VALUE!
Avg. Projected RDA \$ /Ctn.	#VALUE!
Current RJR Gr.Profit/Month	#VALUE!
Current RJR Gr.Profit/Year	#VALUE!

	<b>Current</b>	<b>Need</b>	<b>Incremental</b>
<b>Avg. Vol.</b>	#VALUE!	#VALUE!	#VALUE!
<b>Tot. Share</b>	#VALUE!	#VALUE!	#VALUE!
<b>Net Profit/Yr.</b>	#VALUE!	#VALUE!	#VALUE!

 \* Incremental Volume and Share Needs should be  
achieved quickly and sustained for 3 Yr. period.

**Comment Section :**
*Strictly Confidential -- RJR Internal Use Only*

Region Manager :

Area Vice President :

Note : All special fixtures produced must be shipped to a retailer's store or warehouse facility. RJR will not provide warehousing for extra fixture(s) for upcoming new stores or re-models. The notification letter that provides cost, item number, availability, etc. will also give the lead time for additional fixtures that may be required in the future. This information should be reviewed thoroughly with the account so they understand the amount of lead time required to produce additional fixtures.

Special Fixture Cost Analysis form and Agreement form must be reviewed &amp; approved by RSM / AVP, and sent to Winston-Salem ....

Please send the approved forms to Butch Orndorff (W-S, extn# 7463) and a copy to your Area Manager of Operations.

51860 9888

**R.J. Reynolds Tobacco Company**  
**Special Fixture Agreement**

Account Name : \_\_\_\_\_

R.J. Reynolds Tobacco Company will provide a special fixture merchandising system to all qualifying retail stores that sell cigarettes. R.J. Reynolds Tobacco Co. will maintain these special fixtures during the useful life of the fixtures. This service is one of several which can be provided by R.J. Reynolds Tobacco Co. for the merchandising of cigarettes.

In consideration for R.J. Reynolds Tobacco Company's supplying you with special fixtures(s), you agree as follows :

1. Maintain the advertising copy provided by R.J. Reynolds Tobacco Co. on the fixture(s) for the life of the fixture(s).
2. R.J. Reynolds Tobacco Co. reserves the right to periodically change the advertising copy.
3. Prohibit the placement of any posters, shelf strips, decals, displays or other promotional materials, on any part of the special fixture(s), except for those provided by R.J. Reynolds Tobacco Co.
4. Load the special fixture(s) according to a plan-o-gram provided by R.J. Reynolds Tobacco Co.
5. Utilize the special fixture(s) at the intended location(s) at retail, for not less than three years.
6. In the event the retailer elects to remove the special fixture(s) within the three year time period, the retailer will reimburse R.J. Reynolds Tobacco Co. a prorated amount based on the time the fixture(s) were on location at retail.
7. Should the federal, state or local government regulate the sales or merchandising of cigarettes to an extent that the parties cannot lawfully carry out the merchandising and display provisions of this agreement, then in that event, this agreement shall terminate as to the affected stores, with no further payments or obligations due, with respect to the affected stores.
8. Inform the R.J. Reynolds Tobacco Co. representative within the required time period for future special fixture(s) to meet new and remodeled store requirements. The set lead time of \_\_\_\_\_ weeks is required for delivery of any additional special fixture(s).
9. This agreement may be changed only by written agreement of the parties, signed by both parties involved.
10. Number of special fixture(s) requested in this agreement is \_\_\_\_\_
11. The special fixture(s) remains the property of R.J. Reynolds Tobacco Co.

We / I understand that failure of performance of any of the above terms and conditions will no longer entitle retailer to participate in the R.J. Reynolds Tobacco Company merchandising service offered, or to utilize in any way the special fixture(s) furnished by R.J. Reynolds Tobacco Company.

Retailer  
Approval

Name / Title : \_\_\_\_\_  
Signed : \_\_\_\_\_  
Date : \_\_\_\_\_

R.J.R. Tob. Co.  
Approval

Name / Title : \_\_\_\_\_  
Signed : \_\_\_\_\_  
Date : \_\_\_\_\_

51860 9889

**RJR Special Fixture Request / Cost Analysis**

RJR Internal Use Only

2/20/96

(Shaded areas are user input fields) &gt;

Retail Name / Priority Ranking :

JOE'S MARKETS

# Stores

809

RJR Mgr. / Div. # / Phone # :

AIM # Days

30

Prototype Shipping Address:

Note : # Stores, AIM # Days and  
Current Volume Data should be  
pulled from AIM function 185.

Special Fixture Description:

RJR SPECIAL OPM'S

<b>Contract Costs :</b>	<b>Per Store</b>	<b>All Stores</b>	<b>Current Volume Data :</b>	
Current Contract \$/Mo.	\$0	\$0	Total Industry Volume	515,849
Proposed Contract \$/Mo.	\$170	\$137,530	RJR Total FP Volume	75,804
Enhancement \$/Mo.	\$30	\$24,270	RJR Total Brd. Sav. Volume	2,018
RDA Variance \$/Mo.	\$200	\$161,800	RJR Total P/L Volume	22,958
			<b>Store Volume / Week :</b>	
Additional RDA \$ per Year	\$2,400	\$1,941,600	Avg. Industry Weekly Volume	149
Additional 3-Yr. RDA \$ Cost	\$7,200	\$5,824,800	Avg. RJR Weekly Volume	29

<b>Proposed Fixture Costs :</b>	<b>Per Store</b>	<b>All Stores</b>	<b>Contract + Fixture Cost Breakdown</b>		
Carton Fixture		\$0			
Package Fixture	\$1,200	\$970,800			
Display Fixture 1		\$0			
Display Fixture 2		\$0			
Display Fixture 3		\$0			
Other	\$600	\$404,500			
<b>Tot. Fixture Cost</b>	<b>\$1,700</b>	<b>\$1,375,300</b>	<b>Year 1 (Proposed)</b>	<b>\$4,100</b>	<b>\$3,316,900</b>
			<b>Year 2 (Proposed)</b>	<b>\$2,400</b>	<b>\$1,941,600</b>
			<b>Year 3 (Proposed)</b>	<b>\$2,400</b>	<b>\$1,941,600</b>
			<b>Tot. 3-Yr. Incr. Cost</b>	<b>\$8,900</b>	<b>\$7,200,100</b>

## RJR Special Fixture Request / Cost Analysis

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2/20/96

Retail Name / Priority Ranking :

JOE'S MARKETS

# Stores

809

RJR Mgr. / Div. # / Phone # :

AIM # Days

30

Prototype Shipping Address:

Note : # Stores, AIM # Days and  
Current Volume Data should be  
pulled from AIM function 185.

Special Fixture Description:

Contract Costs :	Per Store	All Stores	Current Volume Data :	
Current Contract \$/Mo.	\$0	\$0	Total Industry Volume	615,849
Proposed Contract \$/Mo.	\$170	\$137,530	RJR Total FP Volume	75,804
Enhancement \$/Mo.	\$30	\$24,270	RJR Total Brd. Sav. Volume	2,016
RDA Variance \$/Mo.	\$200	\$161,800	RJR Total P/L Volume	22,956
			Store Volume / Week :	
Additional RDA \$ per Year	\$2,400	\$1,941,600	Avg. Industry Weekly Volume	149
Additional 3-Yr. RDA \$ Cost	\$7,200	\$5,824,800	Avg. RJR Weekly Volume	29

Proposed Fixture Costs :	Per Store	All Stores	Contract + Fixture Cost Breakdown	
Carton Fixture				
Package Fixture	\$1,200	\$970,800		
Display Fixture 1				
Display Fixture 2				
Display Fixture 3				
Other	\$500	\$404,500		
Tot. Fixture Cost	\$1,700	\$1,375,300		
			Year 1 (Proposed)	\$4,100 \$3,316,900
			Year 2 (Proposed)	\$2,400 \$1,941,600
			Year 3 (Proposed)	\$2,400 \$1,941,600
			Tot. 3-Yr. Incr. Cost	\$8,900 \$7,200,100

Assumptions :	
Annual RJR Ctn. Vol. (proj.)	1,222,749
Full Price Profit \$ (mam)	\$5.75
Branded Sav. Profit \$ (mam)	\$3.50
Priv. Label Profit \$ (mam)	\$2.30
Avg. Wtd. RJR Margin \$/Ctn.	\$4.92
Avg. Current RDA \$ /Ctn.	\$0.00
Avg. Projected RDA \$ /Ctn.	\$1.59
Current RJR Gr. Profit/Month	\$501,236
Current RJR Gr. Profit/Year	\$6,014,831

	Current	Need	Incremental
Avg. Vol.	29.1	40.8	11.7
Tot. Share	19.5%	27.4%	7.9%
Net Profit/Yr.	\$6,014,831	\$6,036,230	\$21,399

\* Incremental Volume and Share Needs should be  
achieved quickly and sustained for 3 Yr. period.

Comment Section :

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Region Manager :

Area Vice President :

Note : All special fixtures produced must be shipped to a retailer's store or warehouse facility. RJR will not provide warehousing for extra fixture(s) for upcoming new stores or re-models. The notification letter that provides cost, item number, availability, etc. will also give the lead time for additional fixtures that may be required in the future. This information should be reviewed thoroughly with the account so they understand the amount of lead time required to produce additional fixtures.

Special Fixture Cost Analysis form and Agreement form must be reviewed & approved by RSM / AVP, and sent to Winston-Salem . . . .

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## **R.J. Reynolds Tobacco Company**

### **Special Fixture Agreement**

#### **JOE'S MARKETS**

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In consideration for R.J. Reynolds Tobacco Company's supplying you with special fixtures(s), you agree as follows :

1. Maintain the advertising copy provided by R.J. Reynolds Tobacco Co. on the fixture(s) for the life of the fixture(s).
2. R.J. Reynolds Tobacco Co. reserves the right to periodically change the advertising copy.
3. Prohibit the placement of any posters, shelf strips, decals, displays or other promotional materials, on any part of the special fixture(s), except for those provided by R.J. Reynolds Tobacco Co.
4. Load the special fixture(s) according to a plan-o-gram provided by R.J. Reynolds Tobacco Co.
5. Utilize the special fixture(s) at the intended location(s) at retail, for not less than three years.
6. In the event the retailer elects to remove the special fixture(s) within the three year time period, the retailer will reimburse R.J. Reynolds Tobacco Co. a prorated amount based on the time the fixture(s) were on location at retail.
7. Should the federal, state or local government regulate the sales or merchandising of cigarettes to an extent that the parties cannot lawfully carry out the merchandising and display provisions of this agreement, then in that event, this agreement shall terminate as to the affected stores, with no further payments or obligations due, with respect to the affected stores.
8. Inform the R.J. Reynolds Tobacco Co. representative within the required time period for future special fixture(s) to meet new and remodeled store requirements. The set lead time of 12 weeks is required for delivery of any additional special fixture(s).
9. This agreement may be changed only by written agreement of the parties, signed by both parties involved.
10. Number of special fixture(s) requested in this agreement is 809.
11. The special fixture(s) remains the property of R.J. Reynolds Tobacco Co.

We / I understand that failure of performance of any of the above terms and conditions will no longer entitle retailer to participate in the R.J. Reynolds Tobacco Company merchandising service offered, or to utilize in any way the special fixture(s) furnished by R.J. Reynolds Tobacco Company.

Retailer  
Approval

Name / Title : JAY LOFTIN/VP OF STUFF

Signed : \_\_\_\_\_

Date : 3/5/96

R.J.R. Tob. Co.  
Approval

Name / Title : MIKE BUCKLER/ACCT MGR

Signed : \_\_\_\_\_

Date : 3/5/96

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